ASX ANNOUNCEMENT

6 November 2026

Papyrus Secures Production Facility Lease

Papyrus Australia Ltd (ASX: PPY) ("Papyrus" or "the Company") is pleased to announce that it has executed a sublease for an industrial facility located within the ResourceCo Pty Ltd (ResourceCo) site at Lonsdale, South Australia. The facility will support the Company's transition into commercial-scale manufacturing and fulfilment for the TBS Mining contract.[1]

Strategic Importance of the Facility

Papyrus has selected the ResourceCo facility due to its existing infrastructure, power supply, logistics and location.

The Lonsdale site provides 720 sqm of industrial space suitable for Papyrus's manufacturing operations. The site offers the required industrial footprint and utilities (power and water) for the production facility and operation.

The facility enables Papyrus to finalise production scale equipment installation and commissioning, and the commencement of commercial production to support delivery of the TBS Mining contract.

Key Commercial Terms

- Condition: The sublease is conditional upon Papyrus obtaining all necessary permits, consents and approvals from all competent authorities for the proposed use of the facility. The Condition must be satisfied on or prior to 5 February 2027 (Condition Date), or such later date as the parties agree in writing. If the Condition is not satisfied or waived by that date, the Sublease will terminate.
- Commencement date: The commencement date of the sublease will be a date agreed between the parties soon after satisfaction or waiver of the Condition (Commencement Date).
- Early access: Following execution of the sublease and Papyrus providing ResourceCo with evidence of the required insurances, Papyrus will be granted a non-exclusive licence to use a portion of the site prior to the Commencement Date for the storage of equipment required for its manufacturing operations, on a rent-free basis (other than the cost of services consumed).
- Term: Three-year initial term, with a three-year renewal option.
- Initial rent: $46,800 (excluding GST) plus outgoings and utilities for the first year of the term.

[1] Please refer to the ASX announcement released on 28 November 2025, "*PPY executes contract with TBS Mining Solutions Pty Ltd*".

- Rent review: Annual rent reviews at a fixed 3% increase per year.
- Rent-free period: Two-month rent-free period commencing on the earlier of the start of the early access licence and the Commencement Date, and extending until completion of the Sub-Lessor Works (if later).
- Sub-Lessor Works: ResourceCo will undertake works to provide utility connections to the facility from the site utilities (Sub-Lessor Works), and will use reasonable endeavours to complete the Sub-Lessor Works within 14 weeks of execution of the sublease (being by approximately 11 February 2027). Papyrus will reimburse ResourceCo for the cost of the Sub-Lessor Works, payable in instalments within 12 months.
- Termination of Head Lease: In the event that the head lease in respect of the facility is terminated for any reason, the sublease will automatically terminate simultaneously, without any liability on the part of ResourceCo to Papyrus.

Next Steps

With the sublease executed, Papyrus will commence:

- Site preparation and mobilisation, targeted for November 2026.
- Installation of production equipment, targeted for December 2026.
- Commissioning and production trials expected to commence during H2 FY2027.

The above timeframes are subject to normal operational execution and commissioning activities.

Statements regarding future production, commissioning and commercial manufacturing are forward-looking statements and are subject to operational, regulatory and commercial risks that may cause actual outcomes to differ.

Comment from the CEO

"Securing the Lonsdale facility is an important operational milestone in Papyrus' commercialisation strategy. It provides the infrastructure required to transition from research and development into commercial manufacturing to fulfil the previously announced TBS contract."

This announcement has been approved for release by the Board of the Company.

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About Papyrus Australia Limited

Papyrus Australia Ltd (ASX: PPY) is an innovative company providing sustainable solutions using its patented technology to process agricultural waste (currently focused on banana plantations) into high-quality alternatives to wood, paper, and plastic products.

About ResourceCo Pty Ltd.

ResourceCo Pty Ltd is a leading Australian resource recovery and recycling company focused on delivering circular economy solutions through sustainable waste management and resource recovery.